

## Message Text

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ACTION COME-00

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VIENNA FOR EWTC

E.O. 11652: N/A

TAGS: ETRD ELTN EMAE EMES UR US

SUBJECT: BAM RAILROAD CONSTRUCTION PROJECT

REF: MOSCOW 1592

1. SUMMARY: CONSTRUCTION OF THE BAIKAL-AMUR RAILROAD (BAM) IS ONE OF THE HIGHEST PRIORITY PROJECTS CURRENTLY UNDERWAY IN THE USSR AND WILL BE A MAJOR ELEMENT IN THE 1976-80 FIVE YEAR PLAN. WHEN COMPLETED, THE BAM WILL STRETCH 2,000 MILES AROUND THE NORTHERN TIP OF LAKE BAIKAL THROUGH PERMAFROST REGIONS TO KOMSOMOL'SK-NA-AMURE. RANKING OFFICIALS OF THE MINISTRY OF TRANSPORT CONSTRUCTION HAVE EXPRESSED STRONG INTEREST IN PURCHASING US PRODUCTS FOR PROJECT, ESPECIALLY THOSE DESIGNED FOR USE IN ARCTIC TEMPERATURES. END SUMMARY.

2. AS EMBASSY HAS PREVIOUSLY REPORTED, THE BAM PROJECT WILL STRETCH A RAIL LINE 2,000 MILES FROM UST'-KUT NORTHWEST OF LAKE BAIKAL TO KOMSOMOL'SK, UP THE AMUR RIVER FROM THE PACIFIC  
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OCEAN. THE PROJECT IS DESIGNED TO TAP THE IRON, COPPER,

TIMBER, AND COAL RESERVES OF THE EASTERN SIBERIAN REGION, BUT IT WILL ALSO OFFER AN ALTERNATIVE ROUTE TO THE TRANS-SIBERIAN RAILROAD, WHICH RUNS UNCOMFORTABLY CLOSE (IN SOVIET EYES) TO THE CHINESE BORDER. BEGUN IN 1972, CONSTRUCTION ACTIVITY IS NOW EXPANDING RAPIDLY WITH 15,000 WORKERS SLATED FOR THE PROJECT THIS YEAR AND 100,000 PROJECTED FOR 1978. SEVERE CLIMATIC CONDITIONS MAKE CONSTRUCTION DIFFICULT, HOWEVER, FOR MOST OF THE ROUTE CUTS THROUGH PERMAFROST REGIONS. FURTHER BACKGROUND IS CONTAINED IN THE REFERENCED CABLE.

3. ACCORDING TO DEPUTY MINISTER A.P. GARKUSH AND OTHER LEADING OFFICIALS OF THE MINISTRY OF TRANSPORT CONSTRUCTION, THE SOVIETS ARE INTERESTED IN ESTABLISHING CONTACTS WITH AMERICAN COMPANIES SUPPLYING A RANGE OF PRODUCTS, PARTICULARLY THOSE SUITABLE FOR USE IN ARCTIC CONDITIONS. PRINCIPAL ITEMS DESIRED, GROUPED BY PRODUCT AREAS, ARE FOLLOWING:

A) CRAWLER TRACTORS:

1) INTERNATIONAL HARVESTER: THE MINISTRY OFFICIALS NOTED THAT THEY HAD ALREADY ORDERED 610 D25 CRAWLER TRACTORS FROM INTERNATIONAL HARVESTER AND EXPECTED TO ORDER 40 MORE FOR 1975 DELIVERY. (NOTE: THE MOSCOW IH REP SUBSEQUENTLY TOLD US THAT THE CONTRACT WILL BE SIGNED THIS MONTH DURING CONEXPO.) THEY ALSO EXPRESSED GREAT INTEREST IN MAINTENANCE FACILITIES FOR THE TRACTORS, INCLUDING A PLANT CAPABLE OF PERFORMING MAJOR OVERHAULS (KAPITALNIY REMONT).

2) CATERPILLAR: THE MINISTRY OFFICIALS ASKED IF CAT COULD BE PERSUADED TO EXTEND ITS OFFER OF 200 300-HP TRACTORS FROM JANUARY 31 TO FEBRUARY 28. THEY ALSO EXPRESSED INTEREST IN PURCHASING 400 PLUS-HP D9 UNITS FROM CAT BUT CLAIMED THAT IF CAT WERE UNABLE TO SUPPLY THESE WITHIN THE NECESSARY TIME FRAME, THE ORDER WOULD GO TO JAPAN'S KOMATSU. (NOTE: THE MOSCOW CAT REP LATER TOLD US THAT 400 PLUS-HP UNITS WERE IN HEAVY DEMAND WORLDWIDE AND KOMATSU WOULD NOT BE ABLE TO SUPPLY ADDITIONAL UNITS IN VIEW OF ITS VERY LARGE ORDERS FROM CHINA AND EARLIER ORDERS FROM THE USSR.)

3) FIAT-ALLIS: THE MINISTRY IS INTERESTED IN OBTAINING LIMITED OFFICIAL USE

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LARGE NUMBERS OF 525-HP D41 TRACTORS AND ALSO WANTS TO INVESTIGATE SIMILAR UNIT WITH A 440-HP ENGINE.

B) TRUCK AND TRUCK-MOUNTED CRANES: THE MINISTRY OFFICIALS NOTED THEIR INTEREST IN TRUCK-MOUNTED CRANES WITH CAPACITIES OF UP TO 50 TONS AND HEAVY DUTY TRUCKS, PARTICULARLY LARGE OFF-THE-ROAD UNITS AND TRUCKS WITH ALL-TERRAIN CAPACITY.

C) DRILLING AND TUNNELING EQUIPMENT: MINISTRY IS VERY INTERESTED IN:

1) UNITS TO DRILL HOLES FOR BRIDGES AND TRESTLE STANCHIONS IN PERMAFROST. COMMATT NOTED THAT DRESSER INDUSTRIES HAS ALREADY INVITED A SOVIET TEAM TO OBSERVE THEIR MACHINERY IN OPERATION NEAR FAIRBANKS.

2) TUNNELING EQUIPMENT: SOVIETS MENTIONED THAT THEY WERE ALREADY LOOKING AT INGERSOLL-RAND PRODUCTS IN THIS AREA.

3) MOBILE COMPRESSORS WHICH CAN OPERATE UNDER VERY COLD CONDITIONS. AS THE MINISTRY OFFICIALS NOTED, INGERSOLL-RAND AND SULLAIR ARE COMPETING FOR ORDERS IN THIS AREA.

D) GEOPHYSICAL RESEARCH EQUIPMENT: THE MINISTRY OFFICIALS STRESSED THEIR INTEREST IN BUYING THIS ELECTRONIC EQUIPMENT FOR THE GEOPHYSICAL WORK NECESSARY TO DETERMINE THE EXACT ROUTE OF THE RAILROAD.

E) FABRICATION OF CONSTRUCTION MATERIALS:

MINISTRY PLANS CALL FOR A PLANT PRODUCING 60-70,000 TONS A YEAR OF STEEL SHAPES FOR BRIDGE CONSTRUCTION, A PLANT FOR THE PRODUCTION OF ALUMINUM SHAPE USED IN CONSTRUCTION AND A PLANT PRODUCING CONSTRUCTION CABLES. NO TONNAGE FIGURES WERE GIVEN FOR THE LATTER TWO PROJECTS.

F) HOUSING AND RECREATION: MINISTRY OFFICIALS NOTED THEIR INTEREST IN:

1) PLANTS FOR THE PRODUCTION OF CONCRETE BLOCKS. THE SOVIETS LIMITED OFFICIAL USE

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SPECIFICALLY MENTIONED BESSER OVERSEAS.

2) AIR-SUPPORTED STRUCTURES WHICH CAN BE USED IN VERY COLD CLIMATES.

3) ALL TYPES OF PREFABRICATED HOUSING, BOTH PERMANENT AND MOVABLE, FOR USE IN ARCTIC CLIMATES. (COMMENT: SPECIAL TRAILERS MIGHT BE A POSSIBILITY.)

4) SPORTS AND RECREATIONAL FACILITIES FOR PROJECT WORKERS.

G) COMPUTERS: THE MINISTRY DOES NOT SEEM INTERESTED IN A BIG COMPUTER SYSTEM TO CONTROL ALL WORK ON THE PROJECT. HOWEVER, A POTENTIAL MARKET EXISTS FOR COMPUTER-AIDED DESIGN EQUIPMENT, WHICH WOULD INCLUDE EQUIPMENT CAPABLE OF

PRODUCING LARGE GRAPHIC DISPLAYS OF DESIGN PROPOSALS.

4. INTERNATIONAL HARVESTER, CATERPILLAR AND FIAT-ALLIS ARE  
ALREADY AWARE OF MINISTRY'S INTERESTS IN CRAWLER TRACTORS  
AND TRUCKS, AND KOEHRING INTERNATIONAL AND INGERSOLL-RAND  
KNOW OF EXPORT OPPORTUNITIES FOR TRUCK-MOUNTED CRANES AND  
DRILLING EQUIPMENT, RESPECTIVELY.  
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## Message Attributes

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